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KARI MORELL



September 10, 2008

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

SEP 10 2008

Part of
Public Record

Re: Finance Docket No. 35176, Georgia Southwestern Railroad, Inc.
Acquisition and Operation Exemption – CSX Transportation, Inc.

Dear Acting Secretary Quinlan:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.31 and a check covering the \$1,800 filing fee. Also enclosed is a Disc containing the Notice and Summary.

Please time and date stamp the extra copy of this letter and return it with our messenger.

If you have any questions regarding this matter, please contact me.

FILED
SEP 10 2008
SURFACE
TRANSPORTATION BOARD

Enclosure

Sincerely,

Karl Morell

FEE RECEIVED

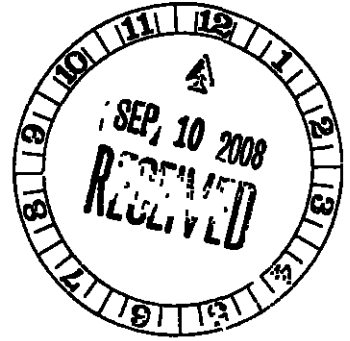
SEP 10 2008
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35176

GEORGIA SOUTHWESTERN RAILROAD, INC.
--ACQUISITION EXEMPTION--
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.



KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorneys for:
GEORGIA SOUTHWESTERN
RAILROAD, INC.

Dated: September 10, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35176

GEORGIA SOUTHWESTERN RAILROAD, INC.
--ACQUISITION EXEMPTION--
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

Georgia Southwestern Railroad, Inc. ("GSWR"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit GSWR to acquire a rail line from CSX Transportation, Inc. ("CSXT").

In support of this Notice of Exemption, GSWR submits the following information as required by 49 C.F.R. § 1150.43:

(a) Full name and address of applicant:

Georgia Southwestern Railroad, Inc.
78 Pulpwood Road
Dawson, GA 39842

(b) Applicant's Representative:

Karl Morell
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement:

GSWR will in the very near future enter into an agreement with CSXT for the acquisition of the rail line.

(d) The operator of the property:

GSWR currently leases and operates the line and after the acquisition will continue to be the operator of the line.

(e) Summary of proposed transaction:

(1) The name and address of the railroads selling the subject property is:

**CSX Transportation, Inc.
500 Water Street J-180
Jacksonville, Florida 32202**

(2) GSWR's acquisition of the rail line is expected to be consummated on or shortly after the effective date of this Notice.

(3) The rail line GSWR seeks to acquire is currently leased and operated by GSWR. The rail line is located between Milepost SLC-96.66 and the end of the line, near Lynn, GA (the "Line").¹ The Line consists of Tracks SV4 (6,875 feet), SV12 (1,360 feet) and SV14 (400 feet).

(4) The length of the rail line being acquired is 8,635 feet or approximately 1.6 miles.

(f) A map of the rail line being acquired is attached as Exhibit 1.

¹ In Finance Docket No. 31360, *South Carolina Central Railroad Company, Inc. – Purchase and Lease – CSX Transportation, Inc., Lines in Georgia and Alabama* (not printed), served May 4, 1989, the Board's predecessor, the Interstate Commerce Commission ("ICC") authorized, among other things, the lease of the Line by GSWR's predecessor. In so doing, the ICC misdescribed the milepost as "SLC 96.99". The correct description of the Milepost is SLC-96.66.

- (g) GSWR hereby certifies that GSWR's projected revenues as a result of this transaction will not result in GSWR becoming a Class II or Class I rail carrier. The projected annual revenue of GSWR will exceed \$5 million. Because GSWR is currently the sole operator of the Line, it is filing concurrently with this Notice a Request for Waiver of 49 C.F.R. § 1150.42(e). In addition, GSWR has complied with the notice requirements of Section 1150.42(e), and certified its compliance to the Board on September 2, 2008. A copy of GSWR's letter is attached as Exhibit 2.
- (h) The Purchase and Sale Agreement between GSWR and CSXT will not contain a provision prohibiting GSWR from interchanging traffic with a third party.

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

GSWR is currently leasing the line from CSXT and the acquisition is for continued rail operations. Further Board approval is required for GSWR to abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

Because GSWR is currently leasing and operating the line, the acquisition of the line by GSWR will not result in any changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average

increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. GSWR's acquisition of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karl Morell", is written over a horizontal line.

KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

Attorneys for:
GEORGIA SOUTHWESTERN RAILROAD, INC.

Dated: September 10, 2008

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35176

**GEORGIA SOUTHWESTERN RAILROAD, INC.
--ACQUISITION EXEMPTION--
CSX TRANSPORTATION, INC.**

Georgia Southwestern Railroad, Inc., a Class III rail carrier, has filed a notice of exemption to acquire from CSX Transportation, Inc., the rail line located between Milepost SLC-96.66 and the end of the line, near Lynn, GA (the "Line"). The Line consists of Tracks SV4 (6,875 feet), SV12 (1,360 feet) and SV14 (400 feet).

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

THIS RAILROAD VALUATION MAP EXHIBIT GRAPHICALLY REPRESENTS A PROPOSED REAL ESTATE TRANSACTION. IT MAY NOT REFLECT CURRENT "ON THE GROUND" CONDITIONS AND/OR ACTUAL LOCATIONS OF FEATURES. ALL DIMENSIONS, OFFSET DISTANCES, AREA CALCULATIONS AND MEASUREMENT NOTATIONS SHOWN ON THIS EXHIBIT ARE APPROXIMATE.

EXHIBIT "A"

MILE POST SLC 96.66
JACKSONVILLE DIVISION
DOTHAN SUBDIVISION

S:\PIN\GA13\GA087\ 087-0069\GA-087-101673\GA-087-1016731.DGN

CSX TRANSPORTATION, INC

SITE ID: GA-087-1016731

PROPOSED ASSIGNMENT-DECATUR CO. GA
SPUR TRACK NW OF BAINBRIDGE

DATE: 03-24-08

SCALE: 1"=900'

DRAWN BY: CLP

REVISED: 08-29-08 CLP

CITY: BAINBRIDGE

STATE: GA

FIPS: 13087

DWG #: 1016731

VAL. SECT.:

V8

MAP NO:

L1/7

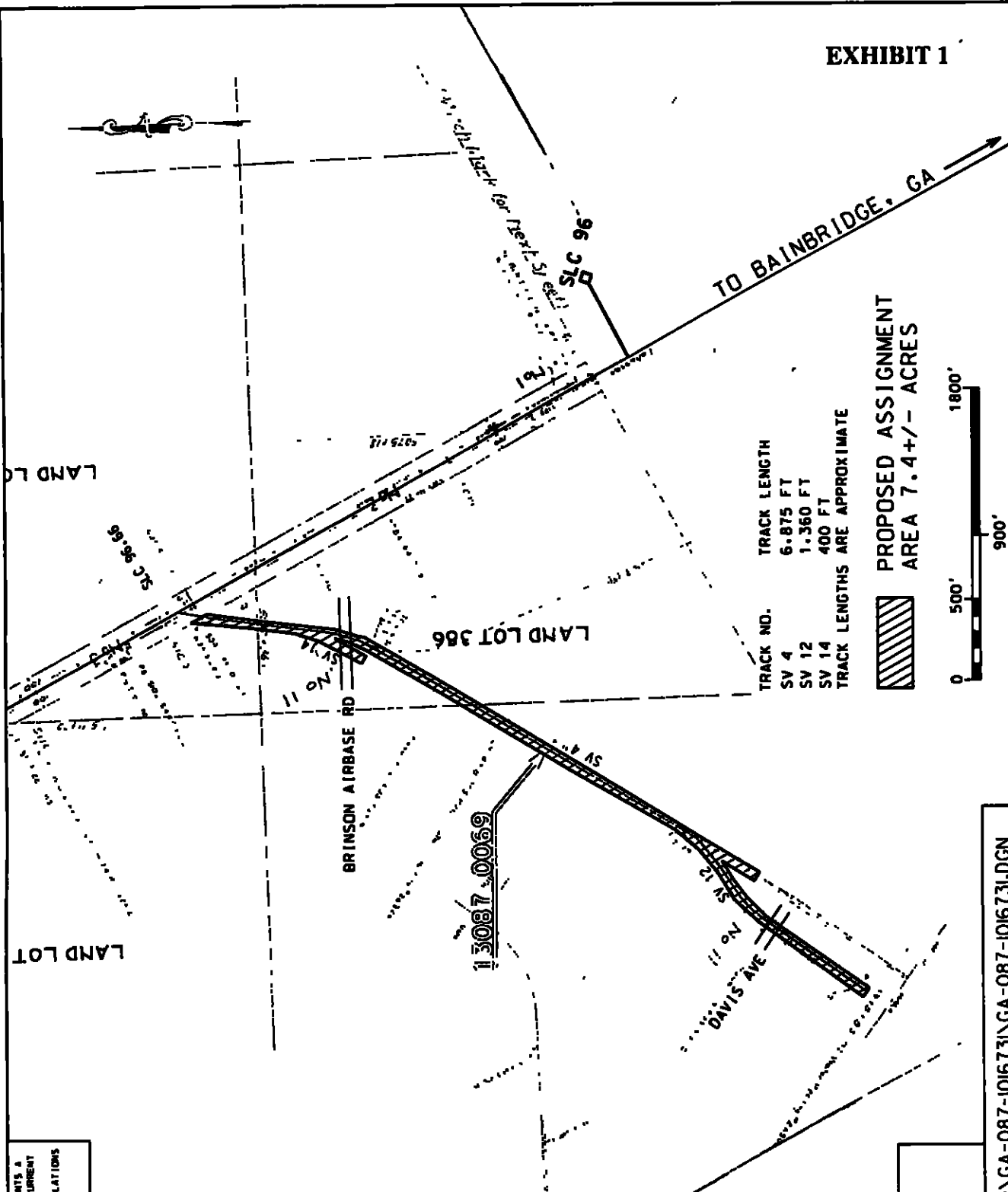
GIS NUMBERS:

04589

PIN NUMBERS:

13087-0069

EXHIBIT 1



TRACK NO.	TRACK LENGTH
SV 4	6.875 FT
SV 12	1.360 FT
SV 14	400 FT

TRACK LENGTHS ARE APPROXIMATE



PROPOSED ASSIGNMENT
AREA 7.4 +/- ACRES



VERIFICATION

STATE OF GEORGIA)
)
COUNTY OF TERRELL) ss.

I, Terry R. Small, being duly sworn depose and state that I am President of the Georgia Southwestern Railroad, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Terry R. Small

SUBSCRIBED AND SWORN TO before me this 10th day of September, 2008, in the County of Terrell, State of Georgia.

My Commission Expires: _____

~~NOTARY PUBLIC~~


Notary Public